

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**Tax-Exempt Bond Project**  
**November 30, 2022**

Tamien Station Affordable, located at 1197 Lick Avenue in San Jose, requested and is being recommended for a reservation of \$6,084,890 in annual federal tax credits to finance the new construction of 134 units of housing serving special needs and large family tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Core Affordable Housing LLC and will be located in Senate District 15 and Assembly District 27.

The project financing includes state funding from HCD's Affordable Housing and Sustainable Communities (AHSC) program.

**Project Number** CA-22-552

**Project Name** Tamien Station Affordable  
 Site Address: 1197 Lick Avenue  
 San Jose, CA 95110 County: Santa Clara  
 Census Tract: 5031.13

| <b>Tax Credit Amounts</b> | <b>Federal/Annual</b> | <b>State/Total</b> |
|---------------------------|-----------------------|--------------------|
| Requested:                | \$6,084,890           | \$0                |
| Recommended:              | \$6,084,890           | \$0                |

**Applicant Information**

Applicant: Tamien Affordable, L.P.  
 Contact: Vince Cantore  
 Address: 470 S. Market Street  
 San Jose, CA 95113  
 Phone: 408-207-1312  
 Email: vcantore@thecorecompanies.com

General Partner(s) or Principal Owner(s): Central Valley Coalition for Affordable Housing  
 Core Tamien Station, LLC

General Partner Type: Joint Venture

Parent Company(ies): Central Valley Coalition for Affordable Housing  
 Core Affordable Housing, LLC

Developer: Core Affordable Housing LLC

Bond Issuer: City of San Jose

Investor/Consultant: Raymond James Affordable Housing Investments, Inc

Management Agent: The John Stewart Company

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 1  
 Total # of Units: 135  
 No. / % of Low Income Units: 134 100.00%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: Tax-Exempt

**Information**

Housing Type: Special Needs  
 Geographic Area: South and West Bay Region  
 CTCAC Project Analyst: Ruben Barcelo

**55-Year Use / Affordability**

| <b>Aggregate Targeting</b> | <b>Number of Units</b> | <b>Percentage of Affordable Units</b> |
|----------------------------|------------------------|---------------------------------------|
| 30% AMI:                   | 67                     | 50%                                   |
| 60% AMI:                   | 67                     | 50%                                   |

**Unit Mix**

|                        |
|------------------------|
| 20 SRO/Studio Units    |
| 44 1-Bedroom Units     |
| 37 2-Bedroom Units     |
| 34 3-Bedroom Units     |
| <b>135 Total Units</b> |

| <b>Unit Type &amp; Number</b> | <b>2022 Rents Targeted % of Area Median Income</b> | <b>Proposed Rent (including utilities)</b> |
|-------------------------------|--|--|
| 10 SRO/Studio                 | 30%  | \$885                                      |
| 10 SRO/Studio                 | 60%  | \$1,770                                    |
| 22 1 Bedroom                  | 30%  | \$948                                      |
| 22 1 Bedroom                  | 60%  | \$1,896                                    |
| 18 2 Bedrooms                 | 30%  | \$1,137                                    |
| 18 2 Bedrooms                 | 60%  | \$2,275                                    |
| 17 3 Bedrooms                 | 30%  | \$1,314                                    |
| 17 3 Bedrooms                 | 60%  | \$2,628                                    |
| 1 2 Bedrooms                  | Manager's Unit                                     | \$0  |

**Project Cost Summary at Application**

|                                    |                      |
|------------------------------------|----------------------|
| Land and Acquisition               | \$3,416,089          |
| Construction Costs                 | \$88,573,665         |
| Rehabilitation Costs               | \$0                  |
| Construction Hard Cost Contingency | \$4,147,673          |
| Soft Cost Contingency              | \$667,601            |
| Relocation                         | \$0                  |
| Architectural/Engineering          | \$4,044,360          |
| Const. Interest, Perm. Financing   | \$11,326,296         |
| Legal Fees                         | \$1,081,034          |
| Reserves                           | \$1,468,437          |
| Other Costs                        | \$5,110,091          |
| Developer Fee                      | \$7,300,000          |
| Commercial Costs                   | \$0                  |
| <b>Total</b>                       | <b>\$127,135,246</b> |

**Residential**

|                                    |           |
|------------------------------------|-----------|
| Construction Cost Per Square Foot: | \$666     |
| Per Unit Cost:                     | \$941,743 |
| True Cash Per Unit Cost*:          | \$938,780 |

**Construction Financing**

| Source                 | Amount       |
|------------------------|--------------|
| Citibank               | \$64,000,000 |
| Citibank-Taxable       | \$4,500,000  |
| County of Santa Clara  | \$25,000,000 |
| City of San Jose       | \$16,750,000 |
| General Partner Equity | \$100        |
| Deferred Costs         | \$8,511,653  |
| Tax Credit Equity      | \$8,373,493  |

**Permanent Financing**

| Source                 | Amount               |
|------------------------|----------------------|
| Citibank               | \$7,670,000          |
| HCD - AHSC             | \$16,000,000         |
| County of Santa Clara  | \$25,000,000         |
| City of San Jose       | \$16,750,000         |
| General Partner Equity | \$4,700,000          |
| Deferred Developer Fee | \$400,000            |
| Income from Operations | \$791,960            |
| Tax Credit Equity      | \$55,823,286         |
| <b>TOTAL</b>           | <b>\$127,135,246</b> |

\*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

**Determination of Credit Amount(s)**

|  |               |
|--|---------------|
| Requested Eligible Basis:                                  | \$117,017,122 |
| 130% High Cost Adjustment:                                 | Yes           |
| Applicable Fraction:                                       | 100.00%       |
| Qualified Basis:   | \$152,122,259 |
| Applicable Rate:   | 4.00%         |
| Total Maximum Annual Federal Credit:                       | \$6,084,890   |
| Approved Developer Fee (in Project Cost & Eligible Basis): | \$7,300,000   |
| Investor/Consultant:                                       | Raymond James |
| Federal Tax Credit Factor:                                 | \$0.91741     |

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

**Significant Information / Additional Conditions**

The current legal description is part of a larger site and the project site’s parcel (legal description and APN) have not yet been finalized. The legal description and APN for CA-22-552 must be completed as part of the placed-in-service package.

**Resyndication and Resyndication Transfer Event:** None

**Standard Conditions**

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

**CDLAC Additional Conditions**

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.